

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999

Note 1- Purpose of the Schedule and Significant Accounting Policies

Purpose of the Schedule - OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a Schedule of Expenditures of Federal Awards showing each Federal financial assistance program as identified in the Catalog of Federal Domestic Assistance (CFDA).

Basis of Presentation - The accompanying Schedule of Expenditures of Federal Awards is presented in accordance with OMB Circular A-133. As defined in the Circular, Federal financial assistance “. . . means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals. . .” It includes awards received directly from Federal agencies, or indirectly through other units of state and local governments. Accordingly, the accompanying Schedule includes both cash and non-cash Federal financial assistance programs. Those programs that have not been assigned a catalog number, or for which the catalog number was not available, have been shown either at the bottom of the relevant Federal grantor subheading or under the “Other Federal Assistance” subheading.

Reporting Entity - The accompanying Schedule includes all Federal financial assistance programs administered by the Commonwealth of Kentucky except for those programs administered by the state universities. As allowed by the Single Audit Act Amendments of 1996 and OMB Circular A-133, the Commonwealth elected to exclude state universities from the statewide single audit, except as part of the audit of the Commonwealth’s general-purpose financial statements.

Basis of Accounting - The cash expenditures on the accompanying Schedule are presented primarily on the basis of cash disbursements as modified by the application of KRS 45.229. Consequently, certain expenditures are recorded in the accounts only when cash is disbursed.

KRS 45.229 provides that the Finance and Administration Cabinet may, “. . . for a period of thirty (30) days after the close of any fiscal year, draw warrants against the available balances of appropriations made for that fiscal year, for the payment of expenditures incurred during that year or in fulfillment of contracts properly made during the year, but for no other purpose.” However, there is an exception to the application of KRS 45.229 in that regular payroll expenses incurred during the last pay period of the fiscal year are charged to the next year.

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Note 1- Purpose of the Schedule and Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

The Commonwealth's general-purpose financial statements are presented on the modified accrual basis of accounting. Therefore, the Schedule of Expenditures of Federal Awards may not be directly traceable to the general-purpose financial statements in all cases.

The non-cash expenditures presented on this Schedule represent the non-cash assistance expended by the Commonwealth during the period July 1, 1998 through June 30, 1999, using the method or basis of valuation as described in the notes to the Schedule of Expenditures of Federal Awards for each program. These non-cash assistance programs are not reported in the Commonwealth's general-purpose financial statements for the year ended June 30, 1999.

The schedules for 8 state agencies that account for 94 percent of the total cash expenditures of Federal awards are presented on the modified cash basis of accounting as explained above. They are:

Department of Education

Cabinet for Families and Children

Cabinet for Health Services

Department for Local Government

Department of Military Affairs

Natural Resources and Environmental Protection Cabinet

Transportation Cabinet

Cabinet for Workforce Development

In addition, the Kentucky Housing Corporation, which accounts for two percent of the total cash expenditures of Federal awards, is presented on the accrual basis of accounting. The remaining state agencies' Schedules of Expenditures of Federal Awards are presented on the cash, modified cash, or accrual basis of accounting.

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Note 1- Purpose of the Schedule and Significant Accounting Policies (Continued)

Inter-agency Activity - Certain transactions relating to Federal financial assistance may appear in the records of more than one state agency. To avoid the overstatement of Federal expenditures, the following policies were adopted for the presentation of the Commonwealth's Schedule of Expenditures of Federal Awards:

(a) Federal moneys may be received by one state agency (primary state agency - recipient) and passed through to another state agency (secondary state agency - subrecipient) where the moneys are expended. Except for pass-throughs to state universities as discussed below, this inter-agency transfer activity is reported in the Commonwealth's Schedule of Expenditures of Federal Awards as follows:

- Under the primary state agency, the Federal program is reported as a direct program. However, the transfer of money to the secondary state agency is not included in the primary state agency's expenditures.
- Under the secondary state agency, the Federal program is reported as a pass-through program. The expenditure of the transferred moneys is reported in the secondary agency's expenditures.

Because the Commonwealth's Schedule excludes Federal financial assistance related to state universities, when a state agency passes Federal money to a state university, this is reported as an expenditure of that state agency.

(b) Federal moneys received by a state agency and used to purchase goods or services from another state agency are reported in the Commonwealth's Schedule only by the purchasing agency as an expenditure.

Note 2 - Type A Programs

Under the provisions of OMB Circular A-133, a Type A program for the Commonwealth means any program for which total expenditures of Federal awards exceeded \$12 million. Clusters are a group of closely related programs sharing common compliance requirements. A cluster of programs shall be considered as one program for determining Type A programs. In relation to non-cash Federal financial assistance programs, this threshold is generally applied to the amount of assistance expended during the year as presented on the non-cash portion of the Schedule of Expenditures of Federal Awards, plus any cash expenditures under the same CFDA designation. In the case of guarantee type

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Note 2 - Type A Programs (Continued)

programs, this threshold is applied to the value of new guaranteed loans/debentures during the year, plus the balance of guaranteed loans/debentures from previous years for which the Federal government still imposed continuing compliance requirements during the year, plus any interest subsidy, cash, or administrative cost allowance received. In relation to revolving loan type programs, this threshold is applied to the value of new loans during the year, plus the balance of loans from previous years which were outstanding during the year, plus the amount of interest income collected during the year.

The Commonwealth had the following programs (cash and non-cash) that met the Type A program definition for the year ended June 30, 1999, some of which were administered by more than one state agency. Certain component units and agencies audited by certified public accounting firms had lower dollar thresholds. The Commonwealth identified ten clusters, which included more than one Federal program, among the Type A programs. These Type A programs and clusters were:

CFDA #	Program Title	Expenditures
10.550	Food Distribution	\$ 14,704,935
10.551	Food Stamps	337,546,433 a
10.553	School Breakfast Program	30,453,651 b
10.555	National School Lunch Program	96,903,989 b
10.556	Special Milk Program for Children	91,146 b
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	83,076,793
10.558	Child and Adult Care Food Program	18,901,338
10.559	Summer Food Service Program for Children	2,984,855 b
10.561	State Administrative Matching Grants for Food Stamp Program	22,523,477 a
11.550	Public Telecommunication Facilities- Planning and Construction	1,392,339
14.182	Lower Income Housing Assistance Program – Section 8 New Construction/Substantial Rehabilitation	61,760,283 c
14.228	Community Development Block Grants/State's Program	33,751,970
14.239	HOME Investment Partnerships Program	13,438,868
14.855	Section 8 Rental Voucher Program	3,859,034

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Note 2 - Type A Programs (Continued)

CFDA #	Program Title	Expenditures
14.856	Lower Income Housing Assistance Program – Section 8 Moderate Rehabilitation	1,281,131
14.857	Section 8 Rental Certificate Program	6,105,534
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	12,842,593 c
15.252	Abandoned Mine Land Reclamation (AMLR) Program	17,563,392
17.207	Employment Services	13,680,437 d
17.225	Unemployment Insurance	267,117,984
17.245	Trade Adjustment Assistance-Workers	17,003,538
17.246	Employment and Training Assistance– Dislocated Workers	19,113,516 e
17.250	Job Training Partnership Act	35,333,943 e
17.253	Welfare-to-Work Grants to States and Localities	3,269,952
17.801	Disabled Veterans’ Outreach Program (DVOP)	736,730 d
17.804	Local Veterans’ Employment Representative Program	792,300 d
20.205	Highway Planning and Construction	374,621,211
59.036	Certified Development Company Loans (503 Loans)	783,273
59.041	Certified Development Company Loans (504 Loans)	24,324,971
66.458	Capitalization Grants for State Revolving Funds	24,865,703
66.468	Capitalization Grants for Drinking Water State Revolving Funds	369,261
83.544	Public Assistance Grants	15,641,339
84.010	Title I Grants to Local Educational Agencies	131,539,722
84.027	Special Education-Grants to States	50,704,123 f
84.032	Federal Family Education Loans	65,294,523 g
84.048	Vocational Education–Basic Grants to States	15,924,607
84.069	Leveraging Educational Assistance Partnership	311,937

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Note 2 - Type A Programs (Continued)

CFDA #	Program Title	Expenditures
84.126	Rehabilitation Services–Vocational Rehabilitation Grants to States	47,058,033
84.173	Special Education – Preschool Grants	10,338,675 f
84.203	Star Schools	1,659,143
93.558	Temporary Assistance for Needy Families	117,943,708
93.563	Child Support Enforcement	36,648,622
93.568	Low-Income Home Energy Assistance	14,821,473
93.575	Child Care and Development Block Grant	38,541,798 i
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	26,369,322 i
93.658	Foster Care-Title IV-E	47,029,861
93.667	Social Services Block Grant	48,429,972
93.775	State Medicaid Fraud Control Units	940,155 h
93.777	State Survey and Certification of Health Care Providers and Suppliers	3,450,907 h
93.778	Medical Assistance Program	1,988,466,000 h
93.959	Block Grants for Prevention and Treatment of Substance Abuse	18,521,709
93.994	Maternal and Child Health Services Block Grant to the States	14,157,274
96.001	Social Security–Disability Insurance	32,548,553 j
NA	FHA/VA Insured Loans	118,044,203
Total Type A Programs		<u>\$4,385,580,239</u>

Identified clusters include:

- a – Food Stamp Cluster (Cabinet for Families and Children)
- b – Child Nutrition Cluster (Department of Education)
- c – Section 8 Project-Based Cluster (Kentucky Housing Corporation)
- d – Employment Services Cluster (Cabinet for Workforce Development)
- e – JTPA Cluster (Cabinet for Workforce Development)
- f – Special Education Cluster (Department of Education)
- g – Student Financial Aid Cluster (Kentucky Higher Education
Assistance Authority, Cabinet for Workforce Development)
- h – Medicaid Cluster (Cabinet for Health Services)
- i – Child Care Cluster (Cabinet for Families and Children)
- j – Disability Insurance/SSI Cluster (Cabinet for Families and Children)

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NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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Note 3 - Federally Assisted Loan Programs

The Commonwealth has several loan programs made possible with initial advances in prior years from the Federal government. In addition, the Federal government guarantees some loan programs.

a) The Kentucky Rural Rehabilitation Student Loan Program was initially awarded \$672,629 in 1970 by the U. S. Farmers Home Administration. Since 1970, the program has operated on interest from student loans outstanding and on income from investments administered by the Office of Financial Management and Economic Analysis. The total amount of money as of the year ended June 30, 1999 in the investment account was \$989,339. Outstanding student loans totaled \$67,325.91.

b) The Kentucky Appalachian Enterprise Development Loan Program (a program within CFDA #23.001) had one outstanding loan for the year ended June 30, 1999. The original amount of this loan was \$210,000. No new loans were made during the year ended June 30, 1999. The balance of the outstanding loan was \$132,112 as of the year ended June 30, 1999.

c) The Commonwealth Small Business Development Corporation (CFDA 59.041) provides fixed asset loans to small businesses located in Kentucky. Loans, which are guaranteed by the U.S. Small Business Administration (SBA), are funded by financial institutions or by issuing debentures. At June 30, 1999, Federal programs of the Commonwealth Small Business Development Corporation had issued debentures in the principal amount of \$38,377,000 and loaned the related proceeds to various projects. In addition, the SBA transferred debentures in the principal amount of \$5,046,000 to the Corporation. The outstanding balance of these notes is \$25,108,244. This is a guarantee program only, and the Corporation receives no Federal assistance.

d) Total moneys for the Gas System Restoration Project, administered by the Department for Local Government (CFDA #11.307), consist of \$3,150,000 from the U. S. Economic Development Administration; \$500,000 from the U.S. Appalachian Regional Commission; and \$650,000 in state matching moneys, for a total commitment to the revolving loan program of \$4,300,000. All moneys had been received and paid out for loans as of June 30, 1999. In addition, principal and interest paid back is paid out again as loans.

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Note 3 - Federally Assisted Loan Programs (Continued)

e) The Kentucky Higher Education Student Loan Corporation issues revenue bonds in order to purchase student loans authorized under the Federal Family Education Loans program (CFDA #84.032). The Kentucky Higher Education Assistance Authority guarantees substantially all loans made and purchased by the Kentucky Higher Education Student Loan Corporation. The U.S. Department of Education provides for reinsurance of loans guaranteed by the Authority. Outstanding loans guaranteed under this program totaled \$1,779,865,000 as of June 30, 1999.

f) The Kentucky Infrastructure Authority administers a wastewater revolving loan program (CFDA #66.458) funded by the U.S. Environmental Protection Agency's Capitalization Grants for State Revolving Funds. During the year ended June 30, 1999, the Authority issued loans totaling \$23,453,884, with outstanding loans of \$185,356,562 at year-end.

g) The Kentucky Housing Corporation provides mortgage bank assistance in originating and processing FHA/VA insured housing loans. Loans guaranteed under this program were \$118,044,203 during the year ended June 30, 1999. At June 30, 1999, the total book value of the loans outstanding was \$ 357,967,891.

Note 4 - Activity Occurring in Programs with Inventoriable Items

The Cabinet for Families and Children receives, stores, and distributes inventory items related to the Food Stamps program. In these instances, all items received are eventually distributed.

	Food Stamps CFDA #10.551
Beginning Inventory, July 1 1998	\$ 79,738,152
Current Year Receipts (FNS and other states)	312,504,398
Current Year Distributions	(337,546,433)
Returned to Inventory	3,009,895
Exchanges or Credits	(7,975)
SLEB Investigations Issued	(8,935)
SLEB Investigations Receipts	2,260
Ending Inventory, June 30, 1999	<u>\$ 57,691,362</u>

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Note 4 - Activity Occurring in Programs with Inventoriable Items (Continued)

The Department of Agriculture operates a warehouse in Louisville, Kentucky for the Commodity Supplemental Food Program (CFDA #10.565). The dollar value of the inventory, based on the USDA Commodity File dated June 1999 is as follows:

	Commodity Supplemental Food Program CFDA #10.565
Beginning Inventory, July 1, 1998	\$ 278,332
Received	927,615
Issued to Recipients	(980,787)
Ending Inventory, June 30, 1999	<u>\$ 225,160</u>

The Cabinet for Health Services (CHS) is a pass-through entity for local organizations. CHS receives, stores, and distributes vaccine, needle, and syringe inventory items related to the Immunization Grants (CFDA 93.268) program. CHS was unable to provide an accurate inventory at June 30, 1999. See finding 98-CHS-42 in the Summary Schedule of Prior Audit Findings for further information.

Note 5 - Unemployment Insurance (CFDA #17.225)

The Commonwealth paid out \$242,987,643 in benefits during the year ended June 30, 1999. The amounts shown on the accompanying Schedule of Expenditures of Federal Awards reflect both the amount expended for benefits from the Trust Fund and an additional \$24,130,341 of Federal funds expended for administration of the program, resulting in a combined total of \$267,117,984 in Federal expenditures.

Note 6 - Highway Planning and Construction Program (CFDA #20.205)

The information reported for this program represents the activity of all open projects during the year ended June 30, 1999. These projects were funded from several apportionments. Apportionments refer to a Federal statutorily prescribed division or assignment of funds. The expenditures reflected on the Schedule of Expenditures of Federal Awards include those expenditures for advance construction projects which are not yet under agreements with the Federal Highway Administration.

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Note 6 - Highway Planning and Construction Program (CFDA #20.205) (Continued)

Program Income - The Highway Planning and Construction Program earned program income of \$230,619 in the year ended June 30, 1999. This income was earned in the right-of-way phase through the sale and rental of real property. Income earned in this manner was classified as a negative expenditure, resulting in a reduction to Federal expenditures for the current year.

Prior Year Refunds - Expenditures for the Highway Planning and Construction Program were shown net of any prior year refunds, resulting from a reimbursement of prior year expenditures. Prior year refunds totaled \$1,203,123 for the year ended June 30, 1999.

Note 7 - Outdoor Recreation - Acquisition, Development and Planning (CFDA # 15.916)

Administrative costs are shown as expended when received from the Federal government. These costs are recovered through a negotiated fixed indirect cost rate. Any over or under recovery will be recouped in the future.

Note 8 - Joint Funding Administration

The Joint Funding Administration Program consists of grants from the following Federal agencies:

CFDA #	Agency
11.302	U.S. Department of Commerce
14.219	U.S. Department of Housing and Urban Development
16.579	U.S. Department of Justice
23.009	Appalachian Regional Commission
84.181	U.S. Department of Education

Note 9 - Subrecipient Activity

A subrecipient is a non-Federal entity that expends Federal awards received from a pass-through entity to carry out a Federal program. The following list summarizes the amount of Federal funds sent to subrecipients.

CFDA #	Federal Program Name	Amount Sent
10.550	Food Distribution	\$ 14,365,216
10.553	School Breakfast Program	30,176,878

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Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
10.555	National School Lunch Program	96,415,785
10.556	Special Milk Program for Children	91,146
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	982,838
10.558	Child and Adult Care Food Program	18,642,912
10.559	Summer Food Service Program for Children	2,892,525
10.561	State Administrative Matching Grants for Food Stamp Program	1,399,734
10.570	Nutrition Program for the Elderly (Commodities)	1,828,507
10.664	Cooperative Forestry Assistance	103,295
12.113	State Memorandum of Agreement Program for the Reimbursement of Technical Services	250,586
14.228	Community Development Block Grants/State's Program	33,308,928
14.231	Emergency Shelter Grants Program	1,196,000
14.239	HOME Investment Partnerships Program	8,348,000
14.241	Housing Opportunities for Persons with AIDS	520,000
14.408	Fair Housing Initiatives and Administrative Enforcement Initiative Program	68,436
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	49,364
15.252	Abandoned Mine Land Reclamation (AMLR) Program	4,423,295
15.904	Historic Preservation Fund Grants-In-Aid	186,216
15.916	Outdoor Recreation-Acquisition, Development and Planning	15,005
16.548	Title V-Delinquency Prevention Program	241,577
16.575	Crime Victim Assistance	3,066,064
16.579	Byrne Formula Grant Program	2,958,059
16.588	Violence Against Women Formula Grants	1,579,131
16.592	Local Law Enforcement Block Grants Program	458,166
16.710	Public Safety Partnership and Community Policing Grants	6,452
17.207	Employment Services	666,908
17.225	Unemployment Insurance	150,316
17.235	Senior Community Service Employment Program	1,689,712
17.246	Employment and Training Assistance-Dislocated Workers	8,297,231
17.250	Job Training Partnership Act	34,240,700

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Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
17.253	Welfare-to-Work Grants to States and Localities	2,622,322
20.219	Recreational Trails Program	205,392
20.505	Federal Transit-Metropolitan Planning Grants	249,086
20.507	Federal Transit-Formula Grants	3,453,286
20.509	Formula Grants for Other Than Urbanized Areas	3,578,753
20.513	Capital Assistance Program for Elderly Persons and Persons with Disabilities	898,215
20.600	State and Community Highway Safety	3,347,613
20.703	Interagency Hazardous Materials Public Sector Training and Planning Grants	10,280
23.001	Appalachian Regional Development	50,000
23.002	Appalachian Area Development	314,899
23.011	Appalachian State Research, Technical Assistance, and Demonstration Projects	240,000
45.007	Promotion of the Arts—State and Regional Program	136,908
45.025	Promotion of the Arts-Partnership Agreements	74,954
45.310	State Library Program	557,832
59.045	Natural Resource Development	17,690
62.001	TVA Environmental Research and Services	12,500
66.032	State Indoor Radon Grants	43,575
66.419	Water Pollution Control-State and Interstate Program Support	4,578
66.454	Water Quality Management Planning	118,080
66.458	Capitalization Grants for State Revolving Funds	23,453,884
66.461	Wetlands Protection—Development Grants	33,997
66.463	National Pollutant Discharge Elimination System Related State Program Grants	57,403
66.708	Pollution Prevention Grants Program	65,352
66.808	Solid Waste Management Assistance	57,270
81.041	State Energy Program	168,114
81.042	Weatherization Assistance for Low-Income Persons	2,011,866
81.052	Energy Conservation for Institutional Buildings	860,458
81.502	Paducah Gaseous Diffusion Plant Environmental Monitoring and Oversight	1,260,568
83.011	Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	18,950
83.521	Earthquake Protection	6,000
83.534	Emergency Management-State and Local Assistance	539,773

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Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
83.539	Crisis Counseling	31,106
83.544	Public Assistance Grants	21,854,519
83.549	Chemical Stockpile Emergency Preparedness Program	3,084,409
83.551	Project Impact-Building Disaster Resistant Communities	13,527
84.002	Adult Education-State Grant Program	5,611,179
84.010	Title I Grants to Local Educational Agencies	129,808,868
84.011	Migrant Education-Basic State Grant Program	9,045,256
84.013	Title I Program for Neglected and Delinquent Children	3,000
84.023	Special Education-Innovation and Development	70,854
84.025	Services for Children with Deaf-Blindness	42,458
84.027	Special Education-Grants to States	47,958,081
84.029	Special Education-Personnel Development and Parent Training	17,500
84.048	Vocational Education-Basic Grants to States	10,950,321
84.086	Special Education-Program for Severely Disabled Children	21,150
84.154	Public Library Construction and Technology Enhancement	511,329
84.158	Secondary Education and Transitional Services for Youth with Disabilities	105,955
84.162	Immigrant Education	309,635
84.169	Independent Living-State Grants	7,561
84.173	Special Education-Preschool Grants	9,771,714
84.177	Rehabilitation Services-Independent Living Services for Older Individuals Who are Blind	57,306
84.181	Special Education-Grants for Infants and Families with Disabilities	651,198
84.185	Byrd Honors Scholarships	176,895
84.186	Safe and Drug-Free Schools and Communities-State Grants	6,714,761
84.194	Bilingual Education Support Services	17,000
84.196	Education for Homeless Children and Youth	390,964
84.213	Even Start-State Educational Agencies	1,659,830
84.214	Even Start-Migrant Education	39,980
84.215	Fund for the Improvement of Education	329,959
84.216	Capital Expenses	284,342

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Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
84.224	Assistive Technology	214,949
84.243	Tech-Prep Education	933,694
84.276	Goals 2000–State and Local Education Systemic Improvement Grants	6,656,539
84.278	School-to-Work Implementation Grant	3,306,189
84.281	Eisenhower Professional Development State Grants	4,154,682
84.298	Innovative Education Program Strategies	3,442,190
84.318	Technology Literacy Challenge Fund Grants	6,037,270
84.327	Special Education-Technology and Media Services for Individuals with Disabilities	149,629
93.041	Special Programs for the Aging-Title VII, Chapter 3-Programs for Prevention of Elder Abuse, Neglect, and Exploitation	67,034
93.042	Special Programs for the Aging-Title VII, Chapter 2-Long Term Care Ombudsman Services for Older Individuals	9,688
93.043	Special Programs for the Aging-Title III, Part F-Disease Prevention and Health Promotion Services	241,976
93.044	Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	4,259,998
93.045	Special Programs for the Aging-Title III, Part C-Nutrition Services	6,788,913
93.046	Special Programs for the Aging-Title III, Part D-In-Home Services for Frail Older Individuals	151,705
93.048	Special Programs for the Aging-Title IV-Training, Research and Discretionary Projects and Programs	174,319
93.116	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	34,510
93.119	Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services-Technical Assistance Centers for Evaluation	45,000
93.130	Primary Care Services-Resource Coordination and Development Primary Care Offices	80,000
93.136	Injury Prevention and Control Research and State and Community Based Programs	123,731
93.150	Projects for Assistance in Transition from Homelessness (PATH)	359,269

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Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
93.194	Community Prevention Coalitions (Partnership) Demonstration Grant	77,885
93.217	Family Planning-Services	23,000
93.230	Consolidated Knowledge Development and Application Program	374,510
93.238	Cooperative Agreements for State Treatment Outcomes and Performance Pilot Studies Enhancement	8,350
93.262	Occupational Safety and Health Research Grants	103,729
93.268	Immunization Grants	461,445
93.283	Centers for Disease Control and Prevention- Investigations and Technical Assistance	128,585
93.556	Family Preservation and Support Services	4,363,327
93.558	Temporary Assistance for Needy Families	16,926,210
93.563	Child Support Enforcement	17,825,345
93.568	Low-Income Home Energy Assistance	14,188,845
93.569	Community Services Block Grant	7,353,397
93.571	Community Services Block Grant Discretionary Awards-Community Food and Nutrition	40,884
93.575	Child Care and Development Block Grant	33,447,375
93.585	Empowerment Zones Program	8,708,357
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	143,227
93.630	Developmental Disabilities Basic Support and Advocacy Grants	39,833
93.643	Children's Justice Grants to States	18,224
93.658	Foster Care - Title IV-E	8,637,102
93.667	Social Services Block Grant	874,068
93.669	Child Abuse and Neglect State Grants	744,820
93.671	Family Violence Prevention and Services/Grants for Battered Women's Shelters-Grants to States and Indian Tribes	773,159
93.674	Independent Living	657,133
93.779	Health Care Financing Research, Demonstrations and Evaluations	151,610
93.919	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	234,137

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999
(CONTINUED)

Note 9 - Subrecipient Activity (Continued)

CFDA #	Federal Program Name	Amount Sent
93.931	Demonstration Grants to States for Community Scholarships	55,000
93.938	Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	87,820
93.945	State Cardiovascular Health Programs	499,753
93.958	Block Grants for Community Mental Health Services	4,063,829
93.959	Block Grants for Prevention and Treatment of Substance Abuse	16,708,243
93.982	Mental Health Disaster Assistance and Emergency Mental Health	2,909
93.991	Preventive Health and Health Services Block Grant	692,969
93.994	Maternal and Child Health Services Block Grant to the States	12,500
94.003	State Commissions	174,634
94.004	Learn and Serve America-School and Community Based Programs	426,535
94.006	AmeriCorps	3,473,553
94.007	Planning and Program Development Grants	716
94.009	Training and Technical Assistance	107,306
94.011	Foster Grandparent Program	37,879
96.001	Social Security-Disability Insurance	4,017,551
NA	HUD Disaster Recovery Initiative	1,199,003
NA	Joint Funding Administration	1,585,371
NA	Kentucky Demonstration	1,306,751
Total Amounts Sent to Subrecipients		\$ 750,617,401

Note 10 - Community Development Block Grants/State's Program (CFDA #14.228)

The Commonwealth matches the Federal portion of administration dollar for dollar. Cash expenditures include the Federal portion of administration.

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999
(CONTINUED)

Note 11 - Conditional Projects

The Department of Fish and Wildlife Resources leases land from the U.S. Army Corps of Engineers for Condition 3 and Condition 5 Projects. These projects stipulate that the acreage leased be managed for wildlife purposes. Part of the management can include leasing the land for farming practices. If this election is made, the Department will advertise for bids and accept the highest proposal. The bidder (farmer) then remits his bid price to the Department, which must account for this income. Condition 3 Project guidelines require the income to be utilized on the wildlife area within three years. Similarly, Condition 5 Project guidelines require income to be utilized for the administration, maintenance, operation, and development of the wildlife area within five years starting from the lease date, and continuing in five year intervals. If the moneys are not utilized in the specified time period, the unexpended balance reverts to the U.S. Army Corps of Engineers.

Note 12 - Manufactured Home Construction Program

The Department of Housing, Buildings, and Construction entered into a cooperative agreement with the U.S. Department of Housing and Urban Development on July 15, 1976 whereby the Department of Housing, Buildings, and Construction inspects all manufactured housing shipped into the state of Kentucky. The U.S. Department of Housing and Urban Development pays \$9.00 per floor of each new manufactured home whose location, after leaving the manufacturing plant, is on the premises of a distributor, dealer, or purchaser in Kentucky. An additional, \$2.50 per home is received for homes manufactured within the Commonwealth. These services are performed in connection with the National Mobile Home Construction and Safety Standards Act of 1974. For these services, the Department of Housing, Buildings, and Construction received \$153,565 for the year ended June 30, 1999. The Department's expenditures are not relevant since this agreement calls for the use of Department personnel, materials, and equipment for services regardless of the Department's cost.

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999
(CONTINUED)

Note 13 – Non-Cash Expenditure Programs

The Commonwealth had 16 non-cash programs for the year ended June 30, 1999. These non-cash programs and a description of the method/basis of valuation follow.

CFDA #	State Agency	Program Title	Amount	Method/Basis of Valuation
10.550	Department of Agriculture	Food Distribution	\$14,365,216	USDA's value at the time of delivery to recipient agencies.
10.550	Department of Corrections	Food Distribution	339,719	Value of product received from USDA Office.
10.551	Cabinet for Families and Children	Food Stamps	337,546,433	Coupon value.
10.565	Department of Agriculture	Commodity Supplemental Food Program	980,787	Quantity issued to recipients valued at USDA's June 1999 prices.
10.569	Department of Agriculture	Emergency Food Assistance Program (Food Commodities)	3,990,661	USDA's value at the time of delivery to recipient agencies.
10.664	Natural Resources and Environmental Protection Cabinet	Cooperative Forestry Assistance	3,375,085	Original acquisition cost of equipment.
39.003	Finance and Administration Cabinet	Donation of Federal Surplus Personal Property	1,276,542	23.3% of Federal acquisition cost (\$5,478,721).
59.036	Commonwealth Small Business Development Corporation	Certified Development Company Loans (503 Loans)	783,273	Outstanding value of loans.

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999
(CONTINUED)

Note 13 – Non-Cash Expenditure Programs (Continued)

CFDA #	State Agency	Program Title	Amount	Method/Basis of Valuation
59.041	Commonwealth Small Business Development Corporation	Certified Development Company Loans (504 Loans)	24,324,971	Outstanding value of loans.
93.116	Cabinet for Health Services	Project Grants and Cooperative Agreements for Tuberculosis Control Programs	73,391	Per authorized award for personnel costs and travel.
93.268	Cabinet for Health Services	Immunization Grants	7,880,213	Per authorized award for personnel and vaccine costs.
93.919	Cabinet for Health Services	Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	155,180	Per authorized personnel and other costs and travel.
93.940	Cabinet for Health Services	HIV Prevention Activities - Health Department Based	64,877	Per authorized personnel and other costs.
93.977	Cabinet for Health Services	Preventive Health Services - Sexually Transmitted Diseases Control Grants	170,306	Per authorized personnel costs and travel.

COMMONWEALTH OF KENTUCKY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1999
(CONTINUED)

Note 13 – Non-Cash Expenditure Programs (Continued)

CFDA #	State Agency	Program Title	Amount	Method/Basis of Valuation
NA	Kentucky Housing Corporation	FHA/VA Insured Loans	118,044,203	Book value of loans.
NA	Department of Fish and Wildlife Resources	U.S. Army Corps of Engineers Conditional Projects	(Note 11)	Use of Federally owned land.
Total Non-Cash Expenditures			<u>\$513,370,857</u>	

Note 14 - Zero Expenditure Programs

These programs had no expenditures during the year ended June 30, 1999. They included programs with no activity during the year such as old programs not officially closed out or new programs issued late in the fiscal year. They also included programs with activity other than expenditures.